

Date

ROUTING AND TRANSMITTAL SLIP

29 Dec 86

TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. Director of Personnel		
2.		
3.		
4.		
5.		

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate <input checked="" type="checkbox"/>	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

FYI.

NOTE: Document received in ER after the scheduled meeting.

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
EXA/DDA	Phone No.

5041-102

* U.S.G.P.O.: 1983 - 421-529/320

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

100-7

STAT

EXECUTIVE SECRETARIAT**ROUTING SLIP**

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
5	DDI				
6	DDA		X		
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL				
14	D/PAO				
15	VC/NIC				
16					
17					
18					
19					
20					
21					
22					
		SUSPENSE _____ Date			

Remarks

Received Executive Registry, 23 Dec 86,
1645 hours.

STAT

Executive Secretary
23 Dec 86

Date

3637 (10-81)

THE WHITE HOUSE
WASHINGTON

66- 5943x

CABINET AFFAIRS STAFFING MEMORANDUM

Date: 12/23/86 **Number:** 317,257 **Due By:** ----

Subject: Domestic Policy Council Meeting - December 23, 1986

2:00 P.M. Cabinet Room

ALL CABINET MEMBERS	Action	FYI		Action	FYI
Vice President	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CEA	<input checked="" type="checkbox"/>	<input type="checkbox"/>
State	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CEQ	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OSTP	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Justice	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Commerce	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Labor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Boindexter Keel	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HHS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Svahn Hobbs	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HUD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Chew (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Education	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Chief of Staff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
<u>QA</u>	<input type="checkbox"/>	<input type="checkbox"/>			
UN	<input type="checkbox"/>	<input type="checkbox"/>			
USTR	<input type="checkbox"/>	<input type="checkbox"/>			
<hr/>			<hr/>		
EPA	<input type="checkbox"/>	<input type="checkbox"/>	Executive Secretary for:		
GSA	<input type="checkbox"/>	<input type="checkbox"/>	DPC	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NASA	<input type="checkbox"/>	<input type="checkbox"/>	EPC	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OPM	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
SBA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
VA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

The Domestic Policy Council will meet with the President on Tuesday, December 23, 1986 at 2:00 P.M. in the Cabinet Room.

The attached memoranda are for your review.

RETURN TO:

☒ Alfred H. Kingon
Cabinet Secretary
456-2823
(Ground Floor, West Wing)

☐ Don Clarey
☐ Rick Davis
☐ Ed Stucky

Associate Director
Office of Cabinet Affairs
456-2800 (Room 235, OE08)

THE WHITE HOUSE

WASHINGTON

December 22, 1986

MEMORANDUM FOR THE DOMESTIC POLICY COUNCIL

FROM: RALPH C. BLEDSOE *Ralph Bledsoe*
Executive Secretary

SUBJECT: Domestic Policy Council Meeting of December 23, 1986

The Domestic Policy Council will meet with the President on Tuesday, December 23, 1986 at 2:00 p.m. in the Cabinet Room. The topic to be discussed is Catastrophic Illness Insurance.

Secretary Bowen will present his report on this issue to the President. You may wish to review the HHS report, which was provided you on November 20. The report of the Health Policy Working Group may also be useful, as well as the attached memorandum from Chuck Hobbs and Peter Germanis.

This issue was discussed by the Council on November 19 and December 3, 12, and 15, and a special meeting was held with representatives of private insurance companies on December 19.

THE WHITE HOUSE

WASHINGTON

December 22, 1986

MEMORANDUM FOR DOMESTIC POLICY COUNCIL

FROM:

CHARLES D. HOBBS
PETER GERMANIS

SUBJECT:

Catastrophic Medical Care Cost Insurance

All of us face a small but significant risk of incurring financially devastating medical expenses from a major illness or accident, and the risk increases with the increasing capabilities and costs of medical technology. Most of us are insured against that risk through the major medical cost reimbursement provisions of private insurance plans or public assistance programs, but because the risk is so small, few of us pay much attention to the adequacy of our coverage. We need to be reminded and encouraged to protect ourselves adequately against the danger of a medical emergency becoming a financial catastrophe for ourselves and our families, and such protection should be available to all of us at affordable prices.

How great an expense constitutes a "catastrophe" obviously varies, from person to person and family to family, with assets, income, other expenses, and point of view. Thus, "catastrophic coverage" is best defined as comprehensive protection against out-of-pocket costs beyond a minimum threshold, with that threshold determined by the person seeking the protection. In seeking to extend and improve catastrophic coverage, we should work within this definition and our own principles of free choice, federalism, and encouragement of private enterprise. Specifically, we should adopt these guidelines: that catastrophic coverage should be available and affordable to all, because all are at risk, with emphasis on the elderly, who are at greater risk; that acquiring catastrophic coverage should be voluntary rather than mandatory, if prices can be kept low enough in a voluntary setting; and that catastrophic coverage should be provided to the extent possible through private insurance rather than government programs.

The following seven-step program meets these guidelines and is offered as an alternative to the expansion of federal programs being suggested within the Administration and by members of Congress.

1. Allow full personal income tax deduction of health insurance premiums for catastrophic coverage.
2. Allow employers to declare employer-paid health insurance premiums as a business deduction only if catastrophic coverage is offered.
3. Require Medigap (private insurance to fill the "gaps" in Medicare) to include catastrophic coverage as a separately priced part of their policies.
4. Encourage Medigap insurers to offer low-cost catastrophic coverage-only policies.
5. Accelerate the development of total-coverage pre-paid health care plans for Medicare beneficiaries.
6. Establish a federal-state-private insurer task force to develop ways to distribute and absorb "uncompensated" care costs more equitably.
7. Enunciate the growing problem of long-term (nursing and convalescent home) care costs and direct the Domestic Policy Council to undertake a joint public-private study of remedies, with emphasis on private savings plans.